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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC-05697-86/1  
19 December 1986

MEMORANDUM FOR: Distribution

FROM:

[redacted]  
Acting National Intelligence Officer for Europe

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SUBJECT: December Warning and Forecast Report

1. Attached is my report to the DCI based on our warning meeting held on 17 December 1986.

2. Next month's warning meeting will be held on Wednesday, 21 January 1987 at 1025 in room 7-E-62, CIA Headquarters. Please telephone attendance plans to our office [redacted] and have clearances certified by COB 19 January 1987.

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3. I also encourage you to phone in suggestions for the agenda and names of volunteers to make opening presentations. It would be helpful to have your comments for the next meeting by Thursday, 15 January 1987.

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Attachment

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MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM:   
Acting National Intelligence Officer for Europe

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SUBJECT: December Warning and Forecast Report

I. MAIN DISCUSSION ITEMS

A. Romania: New Signs of Unrest

1. Discussion. The possibility of growing political instability has been raised by new reports of scattered unrest. The most serious known incidents have occurred in Arad, where protesters (perhaps including army officers) were arrested for distributing anti-regime leaflets, and among the Hungarian minority in Transylvania. Although apparently isolated, protests seem to be increasing in frequency and boldness, as workers' groups have reacted against severe food and energy shortages or relentless regime pressure in the form of 7-day work weeks, pay cuts, and the like.

Past estimates held that the most likely causes of a political crisis would be Ceausescu's incapacitation or a "palace coup." Given the absence of any organized opposition, the traditional passivity of the population, and the ruthless efficiency of the Securitate, we continue to believe these to be the most likely crisis scenarios. But further public unrest might touch off a "brush fire" of mutually reinforcing protest actions, perhaps involving violent confrontation, that could strain if not overwhelm the regime's security forces.

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2. Warning Notice and Collection Guidance. Such a brush fire could spread rapidly from isolated incidents to a full-scale crisis -- without much intelligence warning [REDACTED]

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-- We have called a meeting of Intelligence Community analysts and collectors for Monday, 22 December, to discuss these warning and collection issues.

B. Likely Clashes at Next Month's COCOM Meeting

1. Discussion. Although generally satisfied with existing relations, our COCOM partners are likely to resist new US initiatives to broaden COCOM's scope and tighten its procedures. They are prepared to play hardball at the High Level Meeting in Paris but are willing to compromise, particularly if the US shows signs of flexibility on computer export restrictions.

Specifically, allied resistance can be expected on US proposals to:

- stiffen penalties for COCOM violators. Our allies fear these will undermine the voluntary cooperation they now enjoy with trading firms, as well as demand new resources for enforcement.
- add Cuba to the proscribed list. Spain and Canada will resist especially strongly.
- extend third country regulations beyond the informal, bilateral restrictions currently applied. All object to "extraterritorial" measures.

They will want to raise the issue of "list rationalization" -- that is, a trimming of the number of restricted items by eliminating outmoded technologies or those already available to potential buyers. The acid test may be over list IL-1565 (concerning computer technology), which the allies particularly want to see "rationalized."

2. Warning Notice. At the same time, growing Soviet efforts to press Comecon partners for new scientific and technological acquisitions suggest the need for even greater vigilance over technology transfer. Some Soviet bloc economists refer to proposed joint ventures with Western firms as "beach-heads" for the acquisition of Western technology and know-how.

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C. The Security Debate in the UK

1. Discussion. In the wake of Kinnock's US visit and rising skepticism about his security policies, he has started to softpedal Labor's commitment to ridding Britain of US nuclear bases by dropping the earlier 12-month timetable and promising to consult with Britain's NATO allies. These shifts so far are stylistic and tactical, however, and do not alter the intent of Labor's leaders to press ahead with a unilateralist agenda.

Labor has also attacked Prime Minister Thatcher for being, of all things, soft on defense -- on the grounds that Trident's costs (which Labor exaggerates) would weaken conventional force preparedness. Labor's stress on the need to cut nuclear programs to increase conventional spending is based on highly suspect data. Moreover, the Party's new emphasis on NATO's European pillar runs counter to strong isolationist undercurrents among the Labor rank and file.

Labor will seek to exploit last week's AWACs decision by stressing that Mrs. Thatcher's infatuation with US technology cost British workers some 2,500 Nimrod-related jobs and indeed undermined the credibility of Britain's defense. Assuming that elections are not called before next summer, however, this issue probably will not stick.

2. Warning Notice. Kinnock will probably try to use his official visit to Washington in February to demonstrate the growing acceptability of Labor's "new" look or, failing that, to win points as the embattled defender of Britain's true interests. If the visit proceeds unsuccessfully from his perspective, he may also choose to threaten once again that a Labor government might close US bases

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II. MONITORING ITEMA. France: Cohabitation Under Stress

1. Discussion. The government's vacillation over the university reform crisis has derailed Chirac's presidential aspirations, put him on the defensive, and undermined the credibility of several of his cabinet officers, notably Interior Minister Pasqua. Mitterrand's image as defender of the national interest has been enhanced, but so too has the argument that cohabitation weakens the role of the prime minister.

The cohabitation arrangement, though strained by the affair, remains stable. It has already passed such litmus tests as the economic reform package, and foreign policy cooperation (over Chad, e.g.) is working

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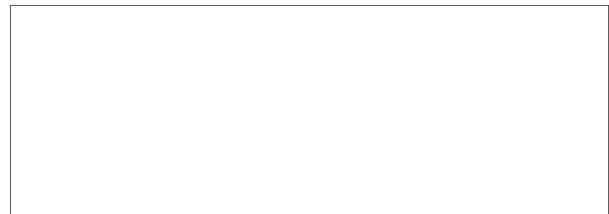
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better than expected. More importantly, none of the major protagonists seems inclined to be first to wreck the existing arrangement and force early elections before they are due in 1988.

2. Warning Notice. Police suppression of student protests has heightened public sensitivities on security matters. A new wave of terrorism would pose a serious challenge, as Chirac would be obliged to tread a thin line between indecision and overreaction.



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